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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1954.

**No. 748**

MALL TOOL COMPANY,
*Petitioner,*

*vs.*

BORG-WARNER CORPORATION,
*Respondent.*

## PETITIONER'S REPLY BRIEF.

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## PETITIONER'S REPLY BRIEF.

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## INTRODUCTION.

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Respondent's brief merely skirts the boundaries of the novel questions of fundamental import presented by this case. The important legal issues involved cannot be brushed aside or reduced to mere questions of fact. Respondent has failed to meet Petitioner's arguments on the grounds for granting certiorari, and instead has presented arguments which are irrelevant or which it knows are false.

Respondent has charged that Petitioner's 70-page appendix is "fragmentary". We are at a loss to understand what has been omitted in Petitioner's presentation. Respondent's brief does not set forth any additional facts,

nor has Respondent supplemented Petitioner's appendix or cited any additional portions of the record.

It is worthy of note that Respondent's brief does not contain a single reference to the first opinion in the *Graver* case (*Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271). This is most unusual since the petition developed at length the grave and as yet unresolved problems arising out of the relationship between the first *Graver* opinion and the opinion on rehearing (*Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 399 U. S. 605). Respondent apparently would like to have the doctrine of equivalency applied to the complete exclusion of the rule that the claim measures the grant, thus ignoring the first *Graver* opinion. As pointed out in the petition, this approach to the legal issues involved in patent suits would confer unwarranted benefits on the patent owner at the expense of the public.

**The Second Graver Opinion Is Not Authority for Using the Doctrine of Equivalency to Confer Validity on Defective Patent Claims.**

While Respondent has made a *pro forma* denial that Petitioner's first question is actually presented in this case, its arguments acknowledge that this question is presented and seek to justify the decision below by its interpretation of the second *Graver* opinion. As Respondent recognizes, the precise issue is whether the doctrine of equivalency as interpreted in the second *Graver* case can be used to confer validity on a patent claim despite "verbal correspondence" between that claim and the prior art. Such a reading of the second *Graver* opinion would require the Court to adopt Respondent's head-in-the-sand position with respect to the first *Graver* case.

The petition pointed out that the second *Graver* case

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did not involve a question of claim validity, since the claims at issue were conclusively presumed to be valid. The Court merely applied the doctrine of equivalency in the usual way as a test of infringement. Therefore, it is clear that the second *Graver* opinion could not have been intended to overrule the first opinion in that case, reaffirming the rule that the claim measures the grant. It follows from this rule that claims which read literally on a prior art structure are invalid for lack of novelty, and cannot be saved because the prior device was constructed differently or did not function in the same way as the device described in the patent. If Respondent's contention to the contrary was correct, the broad metallic silicate claims which were under consideration in the first *Graver* case should not have been held invalid because they read literally on inoperative embodiments. Obviously, an inoperative embodiment is the antithesis of a functional equivalent. Yet the Court invalidated the metallic silicate claims because they failed to properly measure the grant. We submit, therefore, that not only does the second *Graver* opinion fail to support Respondent's position, but that Respondent's notion about using the doctrine of equivalency as a test of claim validity is patently inconsistent with the holding in the first *Graver* case invalidating the claims which read on nonequivalent embodiments.

Respondent's brief mentions two phrases from Hassler's Claims 1 and 2, and jumps to the conclusion that these phrases do not apply to Shipe's chain saw. Respondent offers nothing to support these conclusions. The first phrase ("from one marginal edge of said chain saw towards the longitudinal centerline") was tentatively offered as a distinction in Respondent's reply to the petition for rehearing (App. 36). The Court of Appeals granted special permission to Petitioner to file a supplemental brief answering this new point (App. 42-45). Upon

receipt of Petitioner's brief, Respondent expressly abandoned any reliance upon a distinction based on this language (App. 46-48).

Respondent has never before alleged that the language of the second phrase ("arranged in pairs oppositely disposed and spaced laterally apart") provides any distinction from Shipe's chain saw. That this language could not do so is evident from an examination of the cutting elements on Shipe's chain saw (App. 69, 70). Each of Shipe's cutting elements provides a pair of horizontally-extending, bottom cutting edges which are spaced apart by the central, vertically-extending blade. The Shipe patent (contrary to Respondent's suggestion that there is a single bottom cutting edge on each link) expressly points out that the bottom cutting edges on each side of the central blade act separately to cut out two chips, one of the chips passing outwardly on each side of the central blade (R. 385, Column 2, lines 60-91). It is therefore obvious that the bottom cutting elements on the Shipe chain saw are "arranged in pairs oppositely disposed and spaced laterally apart."

Respondent has not answered Petitioner's contention that Claims 1 and 2 read squarely on the prior art. The fact that the prior art is non-equivalent, rather than rendering these claims valid, proves their invalidity. The second *Graver* opinion does not aid Respondent in establishing the validity of its claims.

Respondent has chosen to present no answer at all to the subsidiary questions 1-B and 1-C. These questions, however, are of considerable importance and cannot be overlooked. They emphasize the extent of the Court of Appeals' unprecedented departure from the rule that the claim measures the grant. As stated in the petition, it is evident from the opinion below that the Court of Appeals failed to find how Claims 1 and 2 could be broadly con-

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strued and still be distinct from the Shipe chain saw. The Court's opinion also fails to find how the language of Claims 1 and 2 relates to the invention which the Court attributed to Hassler.

In discussing question 1-D, and elsewhere in its brief, Respondent seeks to lead this Court to believe that the validity of Claims 1 and 2 as broadly construed is supported by concurrent findings of fact. Respondent knows that this is untrue and is deliberately trying to mislead the Court. The trial court expressly held that Claims 1 and 2 would be invalid if construed to cover chain saws devoid of separate side cutting teeth (R. 334, Conclusions 1 and 2).

Respondent also appears to find comfort in the fact that both the Patent Office and the trial court held Claims 1 and 2 valid over the Shipe patent. We are not contesting these rulings. They were based on the narrow construction of Claims 1 and 2 which was adopted by the trial court and urged by Hassler before the Patent Office as a distinction from the Shipe patent. The Court of Appeals, on the other hand, rejected this narrow construction and adopted the broad construction which the District Court specifically held would render the claims invalid.

**The Courts of Appeals Are Clearly in Conflict on the Proper Scope of the Doctrine of File Wrapper Estoppel.**

We were amazed to find Respondent flatly denying the existence of any conflict between the Courts of Appeals on the proper scope of the doctrine of file wrapper estoppel. The conflict of the decisions in the circuits is well known to patent attorneys, and is an ever present source of practical difficulty in counselling the public about the scope of patent claims.

The extreme divergence of views among the circuits has been judicially recognized. This conflict is well defined by Judge Kaufman in *Van Der Horst Corp.* v. *Chromium Corp.*, 98 F. Supp. 412, 420 (S. D. N. Y., 1951):

> "In considering the file wrappers the Court does have in mind the rule in this circuit that the arguments made by the applicant to the examiner cannot be considered in construing claims, though the file wrapper can be examined to determine the question of estoppel through rejected claims. *A. G. Spalding & Bros.* v. *John Wanamaker*, 2 Cir., 1919, 256 F. 530. There is substantial authority to the contrary, however, which permits the file wrapper and Patent Office proceedings to be resorted to in order to construe a patent or determine on what distinction over the prior art the applicant was asking to receive his patent. *E. g. Wiegand* v. *W. Bingham Co.*, 6 Cir., 1939, 106 F. 2d 546; *Texas Co.* v. *Anderson-Prichard Refining Corp.*, 10 Cir., 1941, 122 F. 2d 829; *Howe* v. *Atwood*, D. C. E. D. Mich., 1942, 47 Supp. 979.
>
> The Court of Appeals for this Circuit in the *Spalding* case disapproved of 'looking at preliminary negotiations in the interpretation of a formal document intended to be the final memorial of the parties' intentions.' 256 F. at page 534. However, if there exists doubt as to the scope of the 'final memorial,' what better evidence of the intent of the parties entering into the 'contract' (a patent having been said to be a contract), is there than the 'negotiations' leading up to the issuance of the patent?
>
> "Under the view *not* sanctioned by this Circuit the plaintiff would be 'estopped' on the basis of the Meyer affidavit from claiming infringement by the defendant, in view of the Court's finding that defendant's depressions are produced according to the Cleveland method. However, under the view still in effect in this Circuit plaintiff survives the 'estoppel' barrier.
>
> "Therefore it is my finding that defendant's product infringes upon plaintiff's patent claims (not claim 4) despite the patentee's own assertions in the applica-

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tion proceedings that defendant's product bore no similarity to the patentee's product."

Respondent has even questioned Petitioner's citation of *Spalding & Bros.* v. *John Wanamaker,* 256 Fed. 530, as the leading case on the Second Circuit rule. We agree that the statement of the rule in the *Wanamaker* case is technically *obiter dictum.* However, it is based upon a prior express holding in *Auto Pneumatic Action Co.* v. *Kindler & Collins,* 247 Fed. 323 (C. A. 2, 1917), and it is the case most frequently cited by the courts within the Second Circuit for this proposition. If Respondent merely seeks to suggest that the decision of the Seventh Circuit in the present suit is in agreement with the rule of the *Wanamaker* case, we certainly agree.

In our opinion, the line of cases with which the decision below conflicts is best exemplified by *Cabot, Inc.* v. *Huber Corp.,* 127 F. 2d 805 (C. A. 5, 1942). Respondent has attempted to reduce the holding of the *Cabot* case to a semblance of consistency with the rule that an estoppel can only be based on a restrictive amendment to patent claims. In the *Cabot* case, as in the present case, the only action taken by the patentee consisted of arguments during the prosecution of his application which reflected a a definite intention to adopt a specific limited meaning for certain claim terms.

Respondent would also have this Court believe that *Exhibit Supply Co.* v. *Ace Patents Corp.,* 315 U. S. 126, defines the outer limit of file wrapper estoppel. The question of the effect to be given to arguments presented to the Patent Office was not in issue in that case, and neither in the *Ace* case nor in any other has the Supreme Court indicated what the law should be with respect to estoppels based on conduct by a patent applicant other than restrictive amendment of his claims.

**The Mere "Functional Presence" of an Omitted Element Does Not Constitute a "Substitution" to Which the Doctrine of Equivalency Can Be Applied.**

Respondent pretends to see no departure from precedent in the decision reached by the Court of Appeals that Claims 1 and 2 can be infringed by structures which completely omit the separate side cutting teeth of Hassler's chain saw combination. In this regard, we direct attention to Walker on Patents, Sec. 461 (Deller's Ed. 1951):

> "Omission of one element or ingredient of a combination covered by any claim of a patent, averts any charge of infringement based on that claim. * * * And it makes no difference that another element is made to do the work of itself and of the omitted element [*Underwood Typewriter Co.* v. *Royal Typewriter Co.*, 224 Fed. 477 (1915)]. A combination is an entirety. If one of its elements is omitted, the thing claimed disappears. Every part of the combination claimed is conclusively presumed to be material to the combination, and no evidence to the contrary is admissible in any case of alleged infringement. [Citing *McClain* v. *Ortmayer*, 141 U. S. 419 (1891), and numerous other decisions] * * *."

Petitioner and Respondent agree that Hassler's side cutting teeth are not used by Petitioner, although the L-shaped teeth on Petitioner's saws perform both the side-cutting and bottom-cutting functions. Thus, while it possibly could be contended that Hassler's side-cutting teeth are in a sense "functionally present" on Petitioner's saws, this is not a sufficient basis for a finding of infringement. See Walker on Patents, *supra*. The omission of an element of a patentee's combination avoids infringement, and it makes no difference that one of the remaining elements is made to do the work of itself and of the omitted element.

Respondent concedes that the Court's construction of Claims 1 and 2 makes them cover the fragmentary de-

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vice which would be obtained by cancelling off all of the side cutting teeth of Hassler's chain. (See App. 49.) This is plainly not a case where an element has been substituted for an omitted element: Hassler's separate side cutting teeth have been completely omitted and the remaining L-shaped teeth have not been modified.

The heretofore well-settled legal distinction between a case like the present one, where an element has been completely omitted, and a case in which something has been substituted for an omitted element is based on substantial policy considerations. This Court has pointed out that the doctrine of equivalency is designed to prevent a fraud on a patent; it could equally well be said that the doctrine that complete omission of an element avoids infringement operates to prevent a fraud on the *public*.

It is plainly one of the paramount duties of a patentee to teach the public what is and what is not essential for practicing his invention. Where a patentee instructs the public that an element is essential to his combination (as Hassler did with regard to his separate side cutting teeth), the public is entitled to take the patentee at his word. Such an element "is conclusively presumed to be material to the combination, and no evidence to the contrary is admissible in any case of alleged infringement." Walker on Patents, *supra*.

**The Discretion Vested in a Court Can Never Extend to the Application of an Erroneous Rule of Law.**

Respondent has not directly answered Petitioner's fourth question.

The only record upon which Petitioner relies is the opinion of the Court of Appeals on the motion to reopen, and Petitioner bases its objection to this decision solely on the ground that the decision is based on an erroneous interpretation of the law.

Petitioner recognizes that motions to reopen are discretionary and subject only to a limited review. But where the Court has applied an erroneous principle of law as the basis for granting or denying a discretionary motion, it has not exercised its discretion. In such a case, the reviewing Court must remand the case for a proper exercise of discretion under the correct legal principles. *Fairmount Glass Works* v. *Cub Fork Coal Co.*, 287 U. S. 474, 482-484 (1933); *Mattox* v. *U. S.*, 146 U. S. 140 (1892); *Freid* v. *McGrath*, 133 F. 2d 350, 353 (C. A. D. C., 1942); *Youdan* v. *Majestic Hotel Management Corp.*, 125 F. 2d 15 (C. A. 7, 1942).

As discussed at length in the petition, the Court of Appeals based its denial of the motion to reopen exclusively on its fallacious interpretation and application of *Carson* v. *American Smelting & Refining Co.*, 4 F. 2d 463 (C. A. 9, 1925). The Court ruled that the *Carson* case barred any elaboration or clarification of foreign patent drawings by way of demonstrations or expert testimony (App. 20). Such discrimination against foreign patents is contrary to statute, and is not authorized even by the *Carson* case.

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The petition for a writ of certiorari should be granted.

Respectfully submitted,

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